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March 31, 1999

Roger Bezdek, Senior Advisor
Office of Fiscal Assistant Secretary
U.S. Department of Treasury
Room 2112
1500 Pennsylvania Avenue N.W.
Washington DC 20220

Dear Mr. Bezdek:

I am writing to you as a concerned citizen. I live in the Englewood community of Chicago, Illinois. The median income of my community is about \$8000. To the detriment and economic well being of my community, currency changes abound. These currency exchanges have been marketing their services very heavily on the local black radio stations. The advertisements sell such virtues as convenience and availability. However, I do not feel that these advertisements do not tell the whole truth.

Mr. Bezdek, the advertisements do not mention that currency exchanges are not federally regulated. Nor do the advertisements mention that there is no accountability when the currency exchange errs. For example, when a local currency exchange lost my aunts phone bill, it was my aunt who had to pay and not the currency exchange. These exchanges are neither insured or subject to consumer protection laws. When my aunt lost her money, there was no recourse short of small claims court.

Conducting financial transactions at a currency exchange can be sometimes physically unsafe. At the local bank there are guards both inside and outside of the facility. Not so at many currency exchanges. Hence, at "check day" the community is plagued by purse snatchers and muggers awaiting defenseless senior citizens or other vulnerable targets.

In addition to all of these problem, consumers pay very high fees for services at currency exchanges. Up to 7% is deducted from many check for check cashing. Add to that the fees for bill payment and the fees for money orders, a low income person could be expending several hundred dollars a year.

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Mr. Bezdek, as you know current regulations prohibit check cashing outlets from serving as direct recipients of U.S. Treasury Department transfers. Not only should the current regulations not be changed, but the Treasury department should not allow Electronic Fund Transfer partnerships between Federally regulated financial institutions such as banks and currency exchanges.

The first step in improving the lives and well being of the residents of my community is to make the residents more financially savvy. Where as the currency exchanges, Mr. Bezdek, seek to impede this process many of the local and national banks are doing much to help. For example, BankOne is starting a series of financial literacy classes beginning April 24, 1999 with a workshop titled, "ABC's of Financial Literacy." But I also need your help. Please work with the community to assure that currency exchanges do not gain access to Electronic Transfer Accounts.

Thank you for your time,

Sincerely,



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cc: Dory Rand
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